

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes No

Type of action: Registration of a pit or below-grade tank Closure of a pit or below-grade tank

Operator COG Operating, L.L.C. Telephone (432) 685-4340 e-mail address PEwards@conchoresources.com
Address 550 West Texas Ave., Suite 1300, Midland, Texas 79701
Facility or well name Shawnee Federal #3 API # 30-015-35125 Ul. or Qtr/Qtr J Sec 15 T-17-S R-30-F
County Eddy Latitude 32 820951N Longitude 104.086803W NAD 1927 X 1983
Surface Owner: Federal State Private Indian

Pit	Below-grade tank	
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 12 mil Clay <input type="checkbox"/> Pit Volume 3.000 bbl	Volume _____ bbl Type of fluid _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water) 120'	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 0 100 feet or more (0 points)	
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No (0 points) 0	
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points) 0	
	Ranking Score (Total Points)	0

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location (check the onsite box if you are burying in place) onsite offsite If offsite, name of facility _____ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered. No Yes If yes, show depth below ground surface _____ ft and attach sample results (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments
Closed by trench burial, procedure attached, on 11-14-2007, on verbal approval by Mike Bratcher.
Lab and field sample results are attached.
Elevated chloride levels in NW corner excavated to 5'. The excavation in the NW corner was lined and material was placed in lined trench and covered with 20 mil plastic and backfilled.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit , or an (attached) alternative OCD-approved plan .

Date 11-26-07

Printed Name/Title Gary Miller, Agent

Signature 

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations

Approval:

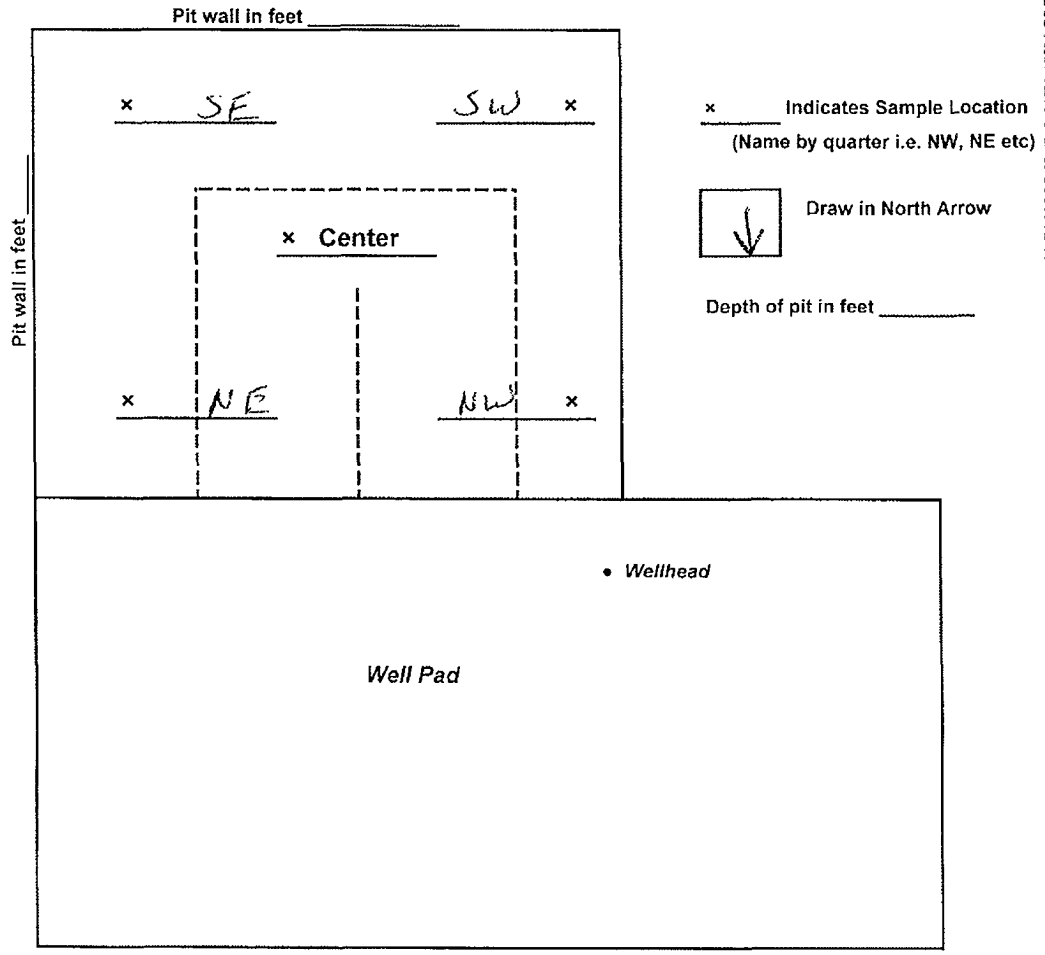
Printed Name/Title _____

Signature

Signed By 

Date NOV 26 2007

Highlander Environmental Corp.
Pit Sample Location Plat



Client: COG Operating LLC
Well Name: Shawnee Federal #3
API# 30-015-35125

Summary Report

Gary Miller
Highlander Environmental Services
1910 N. Big Spring Street
Midland, TX, 79705

Report Date: November 21, 2007

Work Order: 7111920



Project Location: Eddy County, NM
Project Name: C.O.G./Shawnee Fed. #3
Project Number: 3170

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
143323	NE-2'	soil	2007-11-13	00:00	2007-11-19
143324	NW-10'	soil	2007-11-13	00:00	2007-11-19
143325	SE-2'	soil	2007-11-13	00:00	2007-11-19
143326	SW-2'	soil	2007-11-13	00:00	2007-11-19
143327	Center-2'	soil	2007-11-13	00:00	2007-11-19

Sample: 143323 - NE-2'

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 143324 - NW-10'

Param	Flag	Result	Units	RL
Chloride		154	mg/Kg	2.00

Sample: 143325 - SE-2'

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 143326 - SW-2'

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 143327 - Center-2'

TraceAnalysis, Inc. • 6701 Aberdeen Ave., Suite 9 • Lubbock, TX 79424-1515 • (806) 794-1296
This is only a summary. Please, refer to the complete report package for quality control data.

Report Date: November 21, 2007
3170

Work Order: 7111920
C.O.G./Shawnee Fed. #3

Page Number: 2 of 2
Eddy County, NM

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Office
 District I
 162 N French Dr., Hobbs, NM 87401
 District II
 1301 W Grand Ave., Artesia, NM 87210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S St. Francis Dr., Santa Fe, NM 87505

Energy, Minerals and Natural Resources

May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505
 JUN 2 2007
 OCD-ARTESIA

WELL API NO. 30-015-35125
5. Indicate Type of Lease FEDERAL STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SHAWNEE FEDERAL
8. Well Number 3
9. OGRID Number 229137
10. Pool name or Wildcat LOCO HILLS; PADDOCK

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
COG Operating LLC

3. Address of Operator
550 W. Texas Ave., Suite 1300 Midland, TX 79701

4. Well Location
 Unit Letter **J** : **2134'** feet from the **South** line and **2130'** feet from the **East** line
 Section **15** Township **17S** Range **30E** NMPM County **EDDY**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3693' GR

Pit or Below-grade Tank Application or Closure

Pit type **DRILLING** Depth to Groundwater **120'** Distance from nearest fresh water well **1000'** Distance from nearest surface water **1000'**

Pit Liner Thickness: **12 mil** Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Pit closure <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

COG Operating LLC proposes to close the drilling pit as follows:

1. Remove fluids from pit.
2. A deep trench pit will be constructed next to the existing reserve pit and lined with a 12 mil liner. The contents will be encapsulated in this pit and the liner will be folded over the mud and cuttings.
3. Cover liner with 20 mil liner with excess of 3' on all sides as per option IV.B.3.(b) of the Pit and Below-Grade Tank Guidelines.
4. Cover with a minimum 3' of native soil.
5. Contour pit to prevent erosion and ponding of rainwater.

Notify OCD 24 hours prior to beginning pit closure.

Samples are to be obtained from pit area and analysis submitted to NMOCD prior to back-filling

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Phyllis Edwards TITLE Regulatory Analyst DATE 6-27-07

Type or print name **Phyllis Edwards** E-mail address: **pedwards@conchoresources.com** Telephone No. **432-685-4340**

APPROVED BY: Jim W. Moore TITLE District II Supervisor DATE 7/16/07